

Memorandum

To: Paul Richardson
CC: Joanne Woiteshek
From: Rick Peterbok
Date: 02/25/03
Re: Negotiate Fair Agreement between Paul Richardson and IFA/OA

Beginning in March 2003 Paul would begin receiving \$1000.00 a month for development of "models" for IFA and their continuous review and rebalancing. Paul will think about what would be a fair arrangement to receive possible additional rewards over the \$1000.00 amount (i.e. performance, etc.)

Also beginning in March 2003 Paul would begin receiving \$1000.00 a month to manage operations and develop a total business processing and account maintenance system for IFA. At the end of 6 months Paul will have developed for IFA a complete policy and procedure manual for IFA's business processing system. The equipment will be provided by IFA for IFA in Colorado to be used by Paul in developing the system.

Paul will also receive \$75.00 for each new case submitted to him for processing and maintenance by IFA during the first six months. At the end of six months (beginning March 2003) a status review will determine how to proceed based on what options make the most sense. My thoughts are to be on track to increase Paul's "operations" income in September 2003 to \$2000.00 monthly then to \$3000.00 monthly in January 2004, to \$5000.00 monthly in July 2004, to \$7000.00 monthly in January 2005 and finally to \$10,000 monthly in July 2005. Additional staff would be added at a total cost of \$2500.00 a month each September 2003, January 2004 and July 2004. Also I anticipate opening an office in January 2004 allocating \$1500 a month and increasing to \$2000.00 a month in July of 2004.

Obviously after our first six months we will have a much clearer picture on how to proceed.

This I believe outlines what we talked about. Let me know what you think.

Thanks,

Rick